

BUSINESS IMPACT STATEMENT
BILL NO. 2007-46
(Imposes a sewer service surcharge)

The following business impact statement was prepared pursuant to NRS 237.090 to address the proposed impact of Bill No. 2007-46, which will establish a sewer service surcharge in support of the City's financial obligations as a member of the Clean Water Coalition.

1. The following constitutes a description of the number and the manner in which comment was solicited from affected businesses, a summary of their responses and an explanation of the manner in which other interested persons may obtain a copy of the summary. NRS 237.090(1)(a)

Comments solicited by: Mailing a notice of the proposed sewer service surcharge to businesses connected to the City sewer. 1,281 notices were mailed.

Two comments were received in response to the above mailing – one favorable, one not favorable. The negative comment was adverse in general about paying additional sewer service fees. The positive comment recommended even a greater increase in sewer service fees to address perceived serious future sewer and water issues.

Summary of the responses is available at:

City of Las Vegas Finance and Business Services Department
400 Stewart Avenue, 3rd Floor,
Las Vegas, Nevada 89101

2. The estimated economic effect of the proposed rule on businesses, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects: NRS 237.090 (1)(b)

Adverse effects: Businesses connected to the sewer system will be charged an annual \$7.00 sewer service surcharge per equivalent residential unit (ERU) in addition to the annual rate charge per ERU for a particular use. ERU is the average amount of wastewater discharged by a single-family dwelling, which has been determined to be ninety thousand gallons per year.

Beneficial effects: The proceeds from the sewer service surcharge will be used in support of the Clean Water Coalition (CWC), which comprises the Cities of Las Vegas, North Las Vegas, Henderson and the Clark County Water Reclamation District. The purpose of the CWC is to plan, design, finance, construct, and operate a regional system (Systems Conveyance Operations Program-SCOP) for the conveyance of highly treated effluent from the four entities to a new outfall location in Lake Mead to assure a certain water quality level at the Las Vegas Wash and Lake Mead. The need for a new outfall location is based on the following factors: (a) stringent water quality standards, (b) protection of the Las Vegas Wash and Lake Mead, (c) increasing highly treated effluent flows, (d) drought conditions affecting water levels at Lake Mead, (e) protection of our drinking water source and (f) continued reliance on return flow credits.

Direct effects:

Increased annual sewer service fees to be determined on the number of ERUs assigned per business multiplied by \$7.00 per ERU.

Indirect effects:

May result in some businesses limiting the number of ERUs.

3. The following constitutes a description of the methods the local government considered to reduce the impact of the proposed rule on businesses and a statement regarding whether any, and if so which, of these methods were used:

The City considered and chose not to apply an annual CPI increase to the \$7.00 sewer service surcharge.

4. The governing body estimates the annual cost to the local government for enforcement of the proposed rule is:

No additional cost

5. If the proposed rule provides for a new fee or increases an existing fee, the total annual amount expected to be collected is:

There are approximately 327,000 ERUs in the City, therefore the \$7.00 annual surcharge will generate \$2,289,000 this fiscal year.

6. If the proposed rule provides for a new fee or increases an existing fee, the money generated by the new fee or increase in existing fee will be used by the local government to:

The funds raised by the sewer service surcharge will be exclusively used in support of the City's financial obligation as a member of the CWC. The City's financial obligation to the CWC this fiscal year is approximately \$2,120,000.

7. If the proposed rule includes provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity, the following explains when such duplicative or more stringent provisions are necessary:

Not applicable

Date: July 17, 2007